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Docket 97-137

UNITED HOMEOWNERS ASSOCIATION®

June 9, 1997

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JUN 10 1997

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

Docket No. DA 97-137

Dear Chairman Hundt:

The United Homeowners Association (UHA) support Ameritech's application of offer long distance service in Michigan. Attached please find a copy of UHA's letter submitted earlier on this matter.

Thank you.

Sincerely,

Jordan Clark
President

cc: Commissioner James Quello
Commissioner Susan Ness
Commissioner Rachelle Chong
Secretary William Caton (2 copies)
Donald J. Russell, Telecommunications Task Force
Anti-Trust Division, Department of Justice

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<http://uha.org> /America Online kw:UHA



UNITED HOMEOWNERS ASSOCIATION*

Ex-parte

RECEIVED

February 7, 1997

JUN 10 1997

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Federal Communications Commission
Office of Secretary

RE: CC Docket 97-1

Dear Chairman Hundt:

Almost one year ago, Congress passed and President Clinton signed into law the Telecommunications Act of 1996. To date, consumers have seen few, if any, benefits. Retrospectives which are now beginning to appear in the media generally conclude that the one-year legacy of the new law has been higher long distance and cable rates; not exactly what Congress and the President had in mind.¹

The Federal Communications Commission (FCC) now has before it the first application from a regional Bell company to offer in-region, long distance service. The United Homeowners Association (UHA) urges you to approve Ameritech's application to offer long distance service in Michigan.

Ameritech has submitted a voluminous application demonstrating that it has opened the local telephone market in Michigan to competition and, therefore, should be allowed to enter the long distance business. Ameritech's application is based on ten interconnection agreements that it has concluded with competitors in Michigan, including such companies as MFS, Brooks Fiber, and TCG. In addition, the Michigan Public Service Commission has approved arbitrated agreements that allow AT&T, MCI and Sprint to interconnect with and resell Ameritech's local service. These agreements hold the promise, albeit a distant one, of lower prices and better service for homeowners in Michigan. AT&T, for example, has indicated that it hopes to offer local service in Michigan this spring, but only on a limited basis.²

¹ See, for example, Mike Mills and Paul Farhi, "This Is a Free Market? The Telecommunications Act So Far: Higher Prices, Few Benefits," *The Washington Post*, January 19, 1997, H1, H5.

² Leslie Cauley, "Big Carriers Are Slow to Enter Local Markets," *The Wall Street Journal*, January 28, 1997, B1, B9.

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Homeowners in Michigan can realize the promise of lower long distance rates as soon as the Commission approves Ameritech's long distance application. As you know, AT&T, MCI and Sprint continue to raise their rates. Most recently, AT&T raised its rates 5.9 percent the day before Thanksgiving. MCI and Sprint also raised their rates, 4.9 percent and 2 percent respectively, at around the same time. It marked the ninth time in the last seven years that the Big Three raised rates in lock step. UHA thanks the Commission for requesting public comment on the joint petition of UHA and the United Seniors Health Cooperative to reinstate AT&T's dominant carrier status.³ We believe that given its market share and market power, AT&T should be reclassified as "dominant." AT&T's status should be revisited after the regional Bell companies and other local exchange carriers enter the long distance market.

These rate hikes stand in marked contrast to what is happening in those few areas of the country where the local exchange carrier has entered the long distance market. In areas of Connecticut served by SNET and areas of California served by GTE, rates for long distance service have dropped 15 to 20 percent.

This is what Congress had in mind. Similar rate reductions in Michigan translates into savings of hundreds of millions of dollars for homeowners and small businesses.

UHA, therefore, urges the Commission to approve Ameritech's application to enter the long distance market in Michigan. Ameritech has met the requirements of the Telecommunications Act of 1996 as regards opening the local market to competition. Homeowners in Michigan should not have to wait any longer to realize the benefits of meaningful competition in the long distance market.

Sincerely,



Jordan Clark
President

cc: Commissioner James Quello
Commissioner Susan Ness
Commissioner Rachelle Chong
Secretary William Caton (2 copies)

³ See, "Petition for Rulemaking to reclassify AT&T as having dominant carrier status," December 31, 1996, and FCC Public Notice DA 97-123, January 16, 1997.